

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0986

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

September 12, 2012

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Power Sales Agreement ("Agreement") between Duke Energy Carolinas, LLC ("DEC" or "Company") and Cherokee ("Cherokee") County Cogeneration Partners, LLC
Docket No.: 2012-272-E

Dear Ms. Boyd:

This is to inform the Public Service Commission of South Carolina ("Commission") that the South Carolina Office of Regulatory Staff ("ORS") has reviewed and discussed with Duke personnel the Company's filing in the above referenced Docket. Based on the information provided, ORS has no objection to the Company's request for the Agreement to be accepted for filing and a determination that it complies with the intent of the Public Utility Regulatory Policies Act and provisions of Commission Order Nos. 81-214 and 85-347.

The Commission approved the existing Purchased Power Agreement in Order No. 95-26, which is set to terminate on June 30, 2013. Cherokee wishes to sell capacity and energy from its natural gas-fired cogeneration facility located in Cherokee County under the terms of a new seven and one-half (7.5) year Agreement. DEC will provide all the natural gas required to operate the facility and will have the right to dispatch and receive the full output of the facility.

Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,

John W. Flitter

JWF/swh

cc: Dan Arnett, Chief of Staff, ORS
Nanette Edwards, Chief Counsel, Director of Legal Services, ORS
Shannon Bowyer Hudson, Esquire, ORS
Timika Shafeek-Horton, Deputy General Counsel – Duke Energy Corporation
Charles A. Castle, Esquire
Frank R. Ellerbe, III, Esquire
John M.S. Hoefer, Esquire
Dr. James Spearman, Executive Assistant, SC PSC